



# Committee On Finance

Max Baucus, Ranking Member

---

## NEWS RELEASE

<http://finance.senate.gov>

For Immediate Release  
Wednesday, June 8, 2005

Contact: Jon Selib/John Angell  
202-224-4515

### **Baucus Focuses on Questionable Land Deal**

*Report Shows Department of Interior Promoted Improper Tax Deduction*

(WASHINGTON, D.C.) U.S. Senator Max Baucus raised concerns at today's Finance Committee hearing as Earl E. Devaney, Inspector General for the Interior Department, testified regarding a suspect land deal struck between the Collier Resources Company (CRC) and the Interior Department in May of 2002.

The report released today by the Inspector General examines how the Department of Interior sought to acquire mineral rights in southern Florida owned by the Collier Resources Company. The Inspector General harshly criticized how the Department of Interior determined the value of the mineral rights and the Department's offer of tax breaks to CRC to close the deal.

"It's a sad day when an agency of the United States government abuses the tax system to close a questionable land deal," Baucus said. "This deal was obviously a charade and a waste of taxpayers' money. The Department of Interior desperately needs to learn from this transaction and take the appropriate steps to make sure it never happens again."

After the Inspector General began his investigation of the agreement between CRC and Interior the deal collapsed. During today's hearing, Baucus pushed Inspector General Devaney who in the Department of Interior was in charge of the deal.

"We need to find who is responsible for this outrageous land acquisition," Baucus said. "Those who facilitated this transaction need to be held accountable."

The Collier Company had been trying to sell their mineral rights in the Everglades to the Department of the Interior since the early nineties. A land swap was discussed with the Clinton administration in 1995 and 2000, but a deal was never reached.

In 2000 and 2001 the Minerals Management Service (MMS), a bureau within the Department of the Interior, estimated the worth of mineral rights in the Big Cypress National Preserve at \$68 million, with Collier Resource Company allegedly owning about two-thirds of the mineral rights in the Preserve.

In 2002, the Bush administration agreed to purchase the land for \$120 million, \$70 to \$80 million over the estimated worth of the CRC's holdings, while granting Collier two tax breaks in the form of a charitable donation and involuntary conversion. An involuntary conversion allows taxpayers to receive a tax deduction if property is stolen or condemned.

"Either through incompetence or pressure from political appointees, or both, the proper appraisal procedure was clearly not followed in this transaction," Baucus said. "This type of questionable accounting needs to be stopped in order to restore the faith of those using charitable

contributions honestly and to strengthen the integrity of our tax code. I look forward to working with Chairman Grassley in putting an end to this abuse.”

# # #